GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA

UNSTARRED QUESTION NO:3538
ANSWERED ON:15.12.2011
SALE OF MEDICINES AT HIGHER PRICES
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Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether some cases of sale of many essential medicines put under the Drugs (Price Control) Order, 1995 at higher prices than that of fixed by the National Pharmaceutical Pricing Authority (NPPA) has come to the notice of the Government during the last three years;

(b) if so, the details thereof indicating the punitive measures taken against the erring companies; and

(c) the steps taken/proposed to be taken by the Government to ensure that the essential drugs which are under Drugs (Price Control) Order, 1995 are not sold in the market above the prices fixed by the NPPA?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF STATISTICS & PROGRAMME IMPLEMENTATION AND MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS(SHRI SRIKANT KUMAR JENA)

(a) & (b): A number of drug companies have been found to be selling medicines at a higher price to the consumers than those fixed by the National Pharmaceutical Pricing Authority(NPPA). In such cases NPPA initiates action for recovery of the overcharged amount based on the report from State Drug Controllers (SDCs), complaints from individuals, verification of price list submitted by companies and suo-moto purchase of samples of scheduled packs. Wherever a company is found selling the drugs / formulations at a price higher than the prices fixed by NPPA, appropriate action is initiated against them by NPPA under Para 13 of the Drug (Prices Control) Order, 1995, (DPCO` 1995).

Based on detection of overcharging cases, during the last three years since 2008-09, NPPA has issued demand notices in 287 cases involving an amount of Rs. 758.34 crore (overcharging along with interest) for selling the medicines at a price higher than the prices fixed under DPCO 1995 and an amount of Rs. 112.32 crore has been recovered.

(c) In order to ensure compliance of the notified ceiling price, NPPA calls for the control samples of the relevant batches and the price list of the companies in respect of the formulations wherein the companies are found to have overcharged. In order to ensure that the companies adhere to the prices fixed by NPPA, the SDCs are sensitized and asked to forward details of the cases relating to non-compliance of the notified price. As a part of continuous market surveillance, NPPA also procures samples of various scheduled formulations to check the compliance of the notified ceiling price by the companies.